

# House File 2314 - Introduced

HOUSE FILE \_\_\_\_\_  
BY PETTENGILL

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act exempting certain sales by qualified organizations  
2 representing veterans from sales tax.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 5268YH 82  
5 ak/sc/5

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1 1 Section 1. Section 423.2, subsection 4, Code Supplement  
1 2 2007, is amended to read as follows:  
1 3 4. a. A tax of five percent is imposed upon the sales  
1 4 price derived from the operation of all forms of amusement  
1 5 devices and games of skill, games of chance, raffles, and  
1 6 bingo games as defined in chapter 99B, and card game  
1 7 tournaments conducted under section 99B.7B, that are operated  
1 8 or conducted within the state, the tax to be collected from  
1 9 the operator in the same manner as for the collection of taxes  
1 10 upon the sales price of tickets or admission as provided in  
1 11 this section. Nothing in this subsection shall legalize any  
1 12 games of skill or chance or slot-operated devices which are  
1 13 now prohibited by law.  
1 14 b. The tax imposed under this subsection covers the total  
1 15 amount from the operation of games of skill, games of chance,  
1 16 raffles, and bingo games as defined in chapter 99B, card game  
1 17 tournaments conducted under section 99B.7B, and musical  
1 18 devices, weighing machines, shooting galleries, billiard and  
1 19 pool tables, bowling alleys, pinball machines, slot-operated  
1 20 devices selling merchandise not subject to the general sales  
1 21 taxes and on the total amount from devices or systems where  
1 22 prizes are in any manner awarded to patrons and upon the  
1 23 receipts from fees charged for participation in any game or  
1 24 other form of amusement, and generally upon the sales price  
1 25 from any source of amusement operated for profit, not  
1 26 specified in this section, and upon the sales price from which  
1 27 tax is not collected for tickets or admission, but tax shall  
1 28 not be imposed upon any activity exempt from sales tax under  
1 29 section 423.3, subsection 78 or 78A. Every person receiving  
1 30 any sales price from the sources described in this section is  
1 31 subject to all provisions of this subchapter relating to  
1 32 retail sales tax and other provisions of this chapter as  
1 33 applicable.  
1 34 Sec. 2. Section 423.3, Code Supplement 2007, is amended by  
1 35 adding the following new subsection:  
2 1 NEW SUBSECTION. 78A. a. The sales price from sales or  
2 2 rental of tangible personal property, or services rendered, by  
2 3 a qualified organization representing veterans where the  
2 4 profits from the sales or rental of the tangible personal  
2 5 property or services rendered are used for the benefit of the  
2 6 same qualified organization representing veterans.  
2 7 b. This exemption applies to the sales price from games of  
2 8 skill, games of chance, raffles, and bingo games as defined in  
2 9 chapter 99B, but only to the extent the profits from the  
2 10 sales, rental, or services are used by or donated to the  
2 11 qualified organization representing veterans.  
2 12 c. For the purposes of this subsection, "qualified  
2 13 organization representing veterans" means any licensed  
2 14 organization representing veterans, which is a post, branch,  
2 15 or chapter of a national association of veterans of the armed  
2 16 forces of the United States, is a federally chartered  
2 17 corporation, is exempt from federal income taxes under section  
2 18 501(c)(19) of the Internal Revenue Code as defined in section  
2 19 422.3, has an active membership of not less than twelve  
2 20 persons, and does not have a self-perpetuating governing body

2 21 and officers.

2 22 EXPLANATION

2 23 This bill exempts sales by veterans organizations from  
2 24 state sales tax. The bill also provides that the 5 percent  
2 25 tax on games of skill, games of chance, raffles, and bingo  
2 26 games is exempted when the games are operated by a qualified  
2 27 organization representing veterans and the money from the  
2 28 games is donated to the veterans organization.

2 29 The definition of a "qualified organization representing  
2 30 veterans" is a licensed organization, which is a post, branch,  
2 31 or chapter of a national association of veterans of the United  
2 32 States armed forces, is a federally chartered corporation, is  
2 33 exempt from federal income taxes, has more than 12 active  
2 34 members, and does not have a self-perpetuating governing body  
2 35 and officers.

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